



**Mexico President Vicente Fox's Visit to Arizona**  
**Tuesday, November 4, 2003**  
**Arizona Biltmore Resort**  
**Phoenix, Arizona**

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Good afternoon and welcome.

On behalf of Arizona, I would like to thank all of you for being here to share this historic occasion.

I had the honor of meeting with President Vicente Fox at Los Pinos in August, and I was deeply impressed by his hospitality and his desire to strengthen ties between Arizona and Mexico.

It is with tremendous pride and honor that Arizona now welcomes President Vicente Fox, the first Mexican president to visit the Arizona Capitol.

I'd also like to thank First Lady Marta Sahagun de Fox for joining President Fox on this important visit.

Mr. President and First Lady Sahagun, your visit strengthens the bonds that Arizona and Mexico already share.

This visit comes at a time when Arizona and Mexico are approaching a crucial economic crossroads. And everyone here understands the importance that Arizona and Mexico hold for one another as trade partners.

We exchange \$6.4 billion dollars worth of goods each year.

We also have a thriving exchange of business and leisure travelers that feed local and regional economic development.

But the main basis for this thriving trade – the manufacturing industry – faces stiff global competition that threatens to shift key economic drivers away from our region.

The United States is losing jobs to offshore locations. Likewise, Mexico lost 250,000 jobs to China last year.

It's a new world out there. On labor costs alone, the U.S. can't compete anymore, and in many cases, neither can Mexico.

But companies don't choose business locations based on labor cost alone.



Firms also look at market access, transportation, the education and skill level of the workforce, capital availability, and the regulatory environment.

North America will be able to better compete in today's global economy if Arizona and Mexico strategize together.

We have an opportunity to stem the loss of jobs from North America to Asia. Together, we can promote economic development efforts that may not be possible for either of us to achieve alone.

We can lower cost by combining well-educated labor in Mexico with strategic market access and R&D in the United States. This will make us powerful allies, united to keep jobs in North America.

In order to take advantage of these opportunities, we have to be smart, we have to be strategic, and we have to sit down together to think about the possibilities.

President Fox has recently moved to stabilize some tax and revenue issues regarding maquilas in Mexico. I applaud this move.

Adopting tax laws that allow maquilas to operate in a fair and stable environment is critical to stabilizing the manufacturing industry in Mexico.

However, many businesses continue to thrive in the Arizona-Mexico marketplace. These businesses serve as a prime example of the successes strategic regional thinking can produce.

For example, America West Airlines has made great strides in opening up interaction between Mexico and Arizona.

America West Airlines now serves 13 destinations in Mexico, and recently opened service between Phoenix and Monterrey.

This increasing air service indicates the growing economic and tourism ties between Arizona and various markets throughout Mexico.

Looking to the future, we need to understand how the elements of the regulatory system, transportation infrastructure and other systems come together to create an attractive business environment.

In short, we need a vision.

I envision Arizona becoming the United States' lead trade portal to Mexico, and to the emerging economies of Central and South America.



President Fox, I know you too, have a strong vision for extending the benefits of international trade to all of Mexico, and creating a foundation for a prosperous future.

During our meeting at Los Pinos, I was excited to learn that our visions are indeed compatible, and that together we have the ability to make them reality.

To that end, President Fox and I have begun work to implement the CANAMEX trade corridor and the Cyberport project, two initiatives that hold great promise for a vibrant Arizona-Mexico regional economy.

The CANAMEX trade corridor begins with transportation infrastructure.

Trade in the U.S. and in Arizona has been focused toward the east-west movement of goods.

That's part of why I-10 and I-40 are complete but I-17 ends in Flagstaff – and the highway from Phoenix to Las Vegas is not complete.

We also have much better rail connections east and west than we do north and south. But in order to fulfill the economic promise of NAFTA, we must start thinking about the north-south movement of people, goods and information.

We have an opportunity to look at the north-south movement in a more integrated and “new economy” way, using telecommunications and technology as logical enhancements to surface transportation.

In this way, the entire trade infrastructure – surface transportation, air transportation, and the accompanying movement of information – all work together.

CANAMEX is the only trade corridor designated by the U.S. government that actively includes our Canadian and Mexican partners in the planning and implementation process. The Canadian province of Alberta and the four Mexican states included in the corridor are full partners in the process.

Working together, we coordinate transportation, air service, broadband accessibility, wireless accessibility and tourism services. This provides a much easier experience for those in the corridor, whether they are doing business here, or traveling here.

Moreover, CANAMEX provides an opportunity to coordinate an approach for tourism and rural economic growth within like-minded states that have the same issues, in all three countries.

Given the unique challenges that Arizona, our neighbor Sonora and other border states face, the success of CANAMEX depends on our ability to reconceptualize our border crossings.



CyberPort is an innovative concept that considers technology, trade and security together to establish a new kind of border crossing that moves beyond just a physical crossing location.

We all understand the need for secure borders. But if trade does not flow, we are simply replacing physical insecurity with economic insecurity.

CyberPort incorporates the newest technologies and the most highly trained personnel with a well-planned physical border crossing that balances trade and security.

Stifling the trade flow between the United States and Mexico would be the worst possible outcome of increased border security measures.

That is why I am committed to working with the other border states and the U.S. federal government to ensure that new Homeland Security measures proceed in a way that is compatible with our economic development.

I repeat that commitment here to you, President Fox, and assure you that we will not waver in our efforts.

I want to thank you all again for participating in this historic day. Arizona and Mexico stand at a crossroads, and while that is always daunting, what matters is that we stand together.

President Fox' presence here today is both a real and symbolic acknowledgement that Arizona and Mexico share a common future, and that together we will assure that future is a bright one.

Please stand and join me in a toast to President Fox.

For your leadership and vision in propelling the U.S.-Mexico relationship. You will always have a second home in Arizona. Salud!

Thank you.